

*Report Finds Increasing Number of Abandoned Homes Nationwide, Huge Strain on Local Governments*

Washington, D.C. (Dec. 6, 2011)—Rep. Elijah E. Cummings, Ranking Member of the House Committee on Oversight and Government Reform, and Rep. Dennis Kucinich, Ranking Member of the Subcommittee on Regulatory Affairs, Stimulus Oversight and Government Spending, issued the statements below on a [new report](#) by the Government Accountability Office (GAO) finding that banks are not properly maintaining a growing number of vacant and foreclosed properties nationwide.

“This GAO report highlights the failure of mortgage banks to properly maintain properties they foreclose on,” said Cummings. “These vacant and abandoned properties are driving cash-strapped localities further into the red, depressing neighborhood property values, and contributing to a surge in crime in communities across the country.”

Kucinich said, “With Cleveland’s surging vacant property rate, banks cannot turn their backs on the communities and local governments that bear the brunt of the foreclosure crisis. Mortgage servicers must stop being idle bystanders as properties continue to fall into total disrepair, costing regulators and taxpayers far more in the long term.”

Kucinich requested that GAO examine vacant and abandoned residential properties, their costs, and who bears responsibility for maintaining them. The report found that non-seasonal vacant properties increased 51% nationally from 7 million in 2000 to 10 million in April 2010.

According to GAO, the high volume of vacant properties results in higher crime rates, abatement issues, public safety concerns, increased maintenance costs to local governments, decreased value of surrounding properties, and a loss of tax revenue. Several officials informed GAO that resources required to demolish the large number of long-term vacant properties exceeded local budgets.

GAO also reported that some cities “have passed ordinances that require servicers to notify the city when a property they are managing becomes vacant and attempt to hold them responsible for maintenance.” However, GAO reported, “Local officials and community groups said they

need more funds and increased oversight by federal regulators to ensure that servicers comply with local property maintenance codes.”

GAO examined data on vacant residential housing units in Baltimore, Maryland; Chicago, Illinois; Cleveland, Ohio; Indio, California; Detroit, Michigan; Indianapolis, Indiana; Las Vegas, Nevada; Cape Coral, Florida; and, Tucson, Arizona.